



ARIZONA DEPARTMENT OF ECONOMIC SECURITY
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Janet Napolitano
Governor

Tracy L. Wareing
Director

April 20, 2007

WIA GUIDANCE LETTER # 22-06

SUBJECT: State Incentive Policy for Local Workforce Investment Areas (LWIAs) under the Workforce Investment Act for PY 2005 and distribution of the remaining PY 2004 Incentive Funds.

REFERENCES: P.L. 105-220, §134(a)(2)(B)(iii) of the Workforce Investment Act of 1998 (WIA); 20 CFR Part 652, §665.200(e)(1)(2)(3) dated August 11, 2000.

BACKGROUND: Each program year, the Governor's Council on Workforce Policy (GCWP) determines the amount of Governor's discretionary funds to set aside for incentives for the state's LWIAs. For WIA Program Year 2005, the GCWP set aside \$350,000 for this purpose.

On April 3, 2007 the GCWP voted to adjust the Incentive Funds Methodology for PY 2005 and to distribute the remaining PY 2004 Incentive Funds. Incentive Funds will be awarded under **Method I ONLY** for PY 2005 and the remaining PY 2004 funds. Previously the State awarded Incentive Funds utilizing Method I, for exceeding negotiated levels of performance and Method II, for demonstrating collaborative efforts with LWIAs/LWIBs and WIA/non-WIA partner programs.

Method I: The extent to which an LWIA exceeds its Title IB negotiated levels of performance for the fifteen core measures:

PY 2004 Remaining Award: \$200,255

PY 2005 Award: \$350,000

Within 10 business days the WIA Fiscal Unit will be forwarding budget pages to each of the LWIAs so that local contracts can be amended to reflect the awarded amounts. Once the contract amendment is approved a Notice of Obligational Authority (NOA) will be issued.

AWARDS PROCESS:

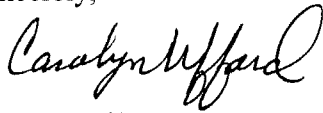
METHOD I – PERFORMANCE ACHIEVEMENT **((\$350,000 Total Potential Award))**

Under WIA, there are fifteen core measures. For PY 2005 each core measure is assigned an average rate of \$2318 of the total potential award of \$350,000. Incentive funds will be awarded to an LWIA based on each core measure the LWIA **exceeds**. To exceed a performance measure means the LWIA must have achieved over 100% of the negotiated level. The maximum award for which an LWIA is eligible is \$34,768.00 (rounded). This calculation process assures that all available incentive funds are distributed to LWIAs.

ACTION REQUIRED: Please ensure that this letter and its attachments are provided to appropriate staff. If you have any further questions, please contact Rod Webb, Fiscal Manager at (602) 542-3957.

This policy is subject to change. All WIA Guidance Letters are posted on the WIA website at <http://www.azdes.gov/wia/infomemos.asp>.

Sincerely,



Carolyn Ufford
Acting Deputy Program Administrator
Employment Administration

Attachment:

PY 04 Correction and PY 05 Incentive Awards

**Division of Employment and Rehabilitation Services
Workforce Investment Act Section
PY 04 Correction and PY 05 Incentive Awards**

Local Area	PY 04 Incentive Distributed Under Old Methodology	# of Measures Exceeded for PY 04	PY 04 Incentive Earned Under New Methodology	Additional Incentives Earned for PY 04 Performance	# of Measures Exceeded for PY 05	PY 05 Allocation Using New Methodology - 100% Method 1
Apache County	\$1,103	11	\$16,483	\$15,380	6	\$13,907
Cochise County	\$2,034	11	\$16,483	\$14,449	14	\$32,450
Coconino County	\$1,313	10	\$14,984	\$13,671	14	\$32,450
Gila/Pinal County	\$3,560	14	\$20,978	\$17,418	7	\$16,225
Graham County	\$2,363	14	\$20,978	\$18,615	9	\$20,861
Greenlee County	\$788	9	\$13,486	\$12,698	6	\$13,907
Maricopa County	\$7,322	12	\$17,981	\$10,659	12	\$27,815
Mohave/LaPaz Cou	\$1,365	10	\$14,984	\$13,619	7	\$16,225
Navajo County	\$1,208	10	\$14,984	\$13,776	9	\$20,861
City of Phoenix	\$11,719	12	\$17,981	\$6,262	11	\$25,497
Pima County	\$5,096	9	\$13,486	\$8,390	12	\$27,815
Santa Cruz County	\$2,363	14	\$20,978	\$18,615	12	\$27,815
Yavapai County	\$1,890	13	\$19,480	\$17,590	12	\$27,815
Yuma County	\$12,179	13	\$19,480	\$7,301	14	\$32,450
Tribal	\$1,673	9	\$13,486	\$11,813	2	\$4,636
REPAC					4	\$9,271
Total	\$55,976	171	\$256,231	\$200,255	151	\$350,000

NOTE: The PY 04 incentive funds for the Dislocated Worker measures for Apache, Graham, Greenlee, Mohave/LaPaz, and Navajo Counties will be included in the Gila County IGA amendment per the REPAC consortium agreement. This will reduce the listed areas PY 04 amounts by \$4,023 each. The Gila County amendment will include \$20,115 for the Dislocated Worker performance from these local areas.

PY 04 includes approximately \$151,000 of Method II Incentives that have not been distributed from PY 04 Incentive pool.